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| **MR1100**  **Unit 4: Ethics & Social Responsibility** | |
|  | **Learning Objectives:** |
|  | *Upon completion of this unit the learner should be able to:*   1. Discuss the significance of ethics in marketing 2. Identify factors that influence ethical and unethical marketing decisions 3. Recognize the importance of ethical and socially responsible consumer behaviour |
|  | **Overview of this Unit** |
|  | This unit focuses on ethics and social responsibility in marketing.  You will find out why companies will pay the price for ethical and socially responsible actions because the unethical and socially irresponsible behaviour can often be more damaging. |

MR1100 Marketing I - PT (CL) - Unit 4.  Ehtics and Social Responsibility -    Unit/Chapter 4 Summary Video \*MR1100 Marketing I - PT (CL) - Unit 4.  Ehtics and Social Responsibility -    Ethics

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| **Ethics** |
| ***A Matter of Ethics***  More organizations than ever are advertising to consumer that their products should be used in moderation or that the product causes serious illness.  Alcoholic beverage companies are advertising that you shouldn't drink and drive.  Tobacco companies are advertising that smoking can be bad for your health.  These ads raise some interesting and controversial points as to what a business' role is in our society.  The major question becomes "Why would a business do things like the tobacco and alcohol companies are doing if it has no direct impact on sales?"  ***Ethics***  ***Ethics*** are the moral principles and values that govern the actions and decisions of an individual group.  Ethics are not laws.  Laws are enforceable by the courts whereas ethics are not.     |  |  | | --- | --- | |  | **Ethics in Marketing**  Read the American Marketing Association's *Code of Ethics*  <http://www.marketingpower.com/content435.php> | |

MR1100 Marketing I - PT (CL) - Unit 4.  Ehtics and Social Responsibility -    Ethical Behaviour

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| **Ethical Behaviour** |
| Why is Ethics so talked about in business now?   1. There is increased pressure on business to make decisions in a society characterized by a diverse value system. 2. Business decisions are judged publicly by groups that have diverse values and interests. 3. Public expectations have risen. 4. Business conduct may be getting more unethical - bribery and economic espionage are more common.   **Ethical Behaviour is molded by:**   |  |  | | --- | --- | | ***Societal Forces*** | the values, ideas and attitudes of society | | ***Business/Industry Culture*** | what is acceptable in the industry in which the business operates | | ***Organizational Culture & Expectations*** | Consideration of the internal aspects to the business - the written and unwritten rules of how a business operates  A written Code of Ethics usually outlines the expected level of ethical standard in an organization  Two major issues:   * Industrial espionage is spying on other businesses * Bribes are payments made to ensure a deal is made |      |  |  | | --- | --- | |  | **How to Write a Code of Ethics**  Learn how to create a Code of Ethics for any organization:  <http://www.ethicsweb.ca/codes/> | |

MR1100 Marketing I - PT (CL) - Unit 4.  Ehtics and Social Responsibility -    Moral versus the Job

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| **Morals versus the Job** |
| Many individuals are caught between the conflicting goals of:   |  |  | | --- | --- | |  | ***Moral Idealism*** - a personal philosophy of what is right and, | |  | ***Utilitarianism*** - providing the greatest good for the most number |      |  |  | | --- | --- | |  | Read: [A Guide to Moral Decision Making](http://www.ethicsweb.ca/guide/index.html)  by  Chris MacDonald, Ph.D. Revised March 15, 2002 | |

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1100 Marketing I - PT (CL) - Unit 4.  Ehtics and Social Responsibility -    Social Responsibility

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| **Social Responsibility** |
| Organizations are part of society and are accountable to society for their actions.  This includes:   |  |  | | --- | --- | |  | a responsibility to make a profit so as to remain in business and contribute to society by providing jobs, services, etc. | |  | stakeholder responsibility - to those directly affected by the business | |  | societal responsibility to those in the greater society |     **Social Audit**  An assessment to ensure that a business is being socially responsible to stakeholders and society.     |  |  | | --- | --- | |  | There are two ways in which Ethical conflicts can arise in marketing: 1) when there is a difference between the needs of the company, the industry and society and 2) when one's personal values are conflicting with the organization. | |

MR1100 Marketing I - PT (CL) - Social Responsibility -    Discussion Posting #3

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| **Discussion** |
| You are the owner of a T-Shirt manufacturing company.  Your plant is located in southern Ontario where wages are high.  Your t-shirts cost approximately $18 dollars each to make - this include overhead, labour and materials.  But in the last two years, your sales are decreasing. There is a lot of competition and the t-shirts are selling for much less than you can make them.  You have been investigating some of your competition and you realize that they are manufacturing their t-shirts in places like Mexico, Taiwan, and China - many of them are sweat shops. You've always taken a stand against sweat shops on moral grounds.  You realize that if you want to stay in business, you will have to reconsider your stand on moving your manufacturing plant offshore.  You begin investigating places in Asia but you really don't like what you see.   |  |  | | --- | --- | |  | **Discussion Questions**  Based on the scenario above, what do you think you should do?  Do you have any options?  Post your answer to the Discussion Board and comment on at least two (2) other student responses. | |

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